GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:2203
ANSWERED ON:12.12.2008
UTILISATION OF FUNDS UNDER RURAL DEVELOPMENT SCHEMES
Murmu Shri Hemlal

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether some of the States are earning interest on the funds released to them under various rural development schemes particularly the National Rural Employment Guarantee Scheme(NREGS) instead of spending it;

(b) if so, the details thereof ; and

(c) the action taken so far against the States which have not fully utilized the funds allocated to them for rural development? ANWSER

Answer

MINISTER OF THE STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRIMATI SURYAKANTA PATIL)

(a) & (b): The Ministry of Rural Development implements a number of schemes including National Rural Employment Guarantee Scheme (NREGS) for poverty elevation, employment generation, area development and providing basic amenities in rural areas of the country. The funds of the rural development schemes are deposited in the banks in separate accounts by the District Rural Development Agencies (DRDAs/ Zila Parishads)/ State Governments, as per the programme guidelines. These schemes are implemented on continuing basis, thus the funds are utilized as per the demand and implementation status during the year.The unspent balances including interest,is carry forwarded to the next financial year and is utilized for the implementation of the programmes.

(c) The schemes including NREGS have an inbuilt mechanism whereby next installment is considered / released on utilization of 60% of funds earlier released which prevents parking of funds at the district level.Under other programmes,necessary adjustments are made in order to discourage the parking of funds and to achieve maximum utilization of funds.